

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Role of the Universal Service Fund and)	GN Docket No. 09-47
Intercarrier Compensation in the National)	
Broadband Plan: NBP Public Notice No. 19)	
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Inquiry Concerning the Deployment of)	GN Docket No. 09-137
Advanced Telecommunications Capability)	
to All Americans in a Reasonable and)	
Timely Fashion, and Possible Steps to)	
Accelerate Such Deployment Pursuant to)	
Section 706 of the Telecommunications Act)	
of 1996, as Amended by the Broadband)	
Data Improvement Act)	

COMMENTS OF COMCAST CORPORATION – NBP PUBLIC NOTICE #19

Comcast Corporation (Comcast) submits these brief comments in response to the Federal Communications Commission's (Commission) Public Notice seeking comments on the role of the Commission's universal service and intercarrier compensation policies in the National Broadband Plan.¹ Comcast previously has filed extensive comments in various FCC proceedings that set forth its views on reforming the Commission's policies in these areas and will not repeat that analysis in these comments.² Instead, Comcast will briefly summarize its position on three of the primary topics identified in the Public Notice.

¹ *Comment Sought on the Role of the Universal Service Fund and Intercarrier Compensation in the National Broadband Plan*, NBP Public Notice #19, GN Docket Nos. 09-47, 09-51, 09-137, DA 09-2419 (rel. Nov. 13, 2009) ("Public Notice").

² *See, e.g.*, Comments of Comcast Corporation, WC Docket No. 05-337 (April 17, 2008) ("Comcast High-Cost Universal Service Comments"); Comments of Comcast Corporation, WC Docket No. 01-92 (Nov. 26, 2008) ("Comcast Intercarrier Compensation Comments");

1. Size of the Fund

Comcast has consistently maintained that the first step in reforming the Commission's universal service policies should be to impose a firm cap on the fund's size.³ As Comcast stressed in its comments in response to the FCC's Broadband Notice of Inquiry, the cap should be competitively and technologically neutral and be set at the level of the High Cost Program in calendar year 2008.⁴ The Commission then should begin to implement reforms to its universal service policies that over time would put downward pressure on the high cost fund.

2. Contribution Methodology

Comcast has long supported replacement of the current retail-revenue-based system with a numbers-based methodology for allocating universal service contribution obligations among service providers.⁵ If a contributing service provider elected to pass the assessment through to its end users, the effect of the change in methodology almost certainly would be to ease the financial burden on those residential consumers who originate a substantial volume of interstate and international long distance calls. That would be a welcome improvement for all low-income consumers who frequently call relatives or friends in distant locations, including foreign countries. The per-number assessment surely would be less than the amount such a consumer currently pays based on his or her retail long distance charges, especially in view of the fact that the current collection rate is 12.3 percent⁶ and is projected to increase to more than 14 percent.⁷

Comments of Comcast Corporation, GN Docket No. 09-51 (June 8, 2009) ("Comcast Broadband Comments").

³ See, e.g., Comcast High-Cost Universal Service Comments at 3.

⁴ See Comcast Broadband Comments at 56-57.

⁵ See, e.g., Comcast Intercarrier Compensation Comments at 30-32.

⁶ See *Proposed Fourth Quarter 2009 Universal Service Contribution Factor*, Public Notice, 24 FCC Rcd 11842 (2009).

Moreover, although implementation of a numbers-based assessment methodology may shift a greater share of the total fund to residential consumers as a whole, the Commission has broad discretion under the Communications Act of 1934, as amended, to determine the relative allocation of responsibility by, for example, prescribing the contribution rate for unswitched, dedicated circuits and high-capacity transmission links (such as OC-48 circuits).⁸

3. Transitioning the Current Universal Service High-Cost Support Mechanism to Support Advanced Broadband Deployment

Comcast previously has noted that the Commission's high-cost assistance program can play an important role in making broadband services more widely available.⁹ Comcast also has emphasized, however, that the Commission should not redirect revenues from the existing high-cost universal service fund to a broadband program unless and until the agency has reformed the current subsidy regime for high-cost wireline areas.¹⁰ In particular, Comcast has urged the Commission to reform the current system by, *inter alia*, targeting support payments to smaller geographic areas and taking into account all of the revenues that a carrier obtains from the services that use some or all of the same network plant that is used to offer voice service.¹¹

⁷ See, e.g., Statement of Congressman Boucher, *Subcommittee on Communications, Technology and the Internet Hearing Discussion Draft of the Universal Service Reform Act of 2009* (Nov. 17, 2009), available at: <http://energycommerce.house.gov/Press_111/20091117/boucher_statement.pdf> (noting before introducing the long-awaited Universal Service Reform Bill that the "status quo is not sustainable" given the projected rise of the contribution rate to 14.2 percent and stating that "unless we enact comprehensive reforms, there will be continued escalation after that").

⁸ See 47 U.S.C. § 254(a) (vesting the Commission with broad authority to both set forth the rules for universal service support and to subsequently implement any necessary changes to these rules).

⁹ See Comcast Broadband Comments at 53-55.

¹⁰ See Comments of Comcast Corporation, WC Docket No. 05-337, at 6 (May 31, 2007).

¹¹ See, e.g., Comcast Broadband Comments at 57-58.

It is probably not essential that the Commission develop a comprehensive forward-looking cost model in reforming its approach to narrow-band support. It will be necessary, however, for the Commission to develop and use a forward-looking methodology in determining the high-cost support for broadband services.

After the Commission has completed its reform of the narrow-band, high-cost assistance regime, it can begin the process of shifting support to a program that supports the deployment of broadband services to new areas. The new broadband support program would reflect the same competitively neutral, narrowly targeted support principles that the Commission used in reforming the narrowband support system.

Respectfully submitted,

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